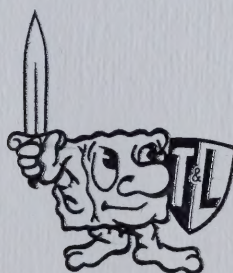



TATE & LYLE

Report and Accounts



1965



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TATE & LYLE, LIMITED

BOARD OF DIRECTORS

President

SIR IAN D. LYLE

Chairman

JOHN O. LYLE

Vice-Chairmen

SIR PETER RUNGE

F. H. TATE

J. O. WHITMEE

LORD LYLE OF WESTBOURNE

M. D. OLIPHANT

W. R. BOOTH

J. F. P. TATE

COLIN LYLE

A. S. WINGATE-SAUL

SAXON TATE

COLIN ROWAN

K. B. BROWN

J. E. HOBBS

J. A. C. HUGILL

GORDON L. SHEMILT

VISCOUNT RUNCIMAN OF DOXFORD

THE EARL OF PERTH

SECRETARIES

T. MARSHALL, F.C.A.

N. W. CULLEN, F.C.I.S.

ASSISTANT SECRETARY

A. M. CURRIE, F.C.I.S.

REGISTRAR

T. MAPLEY

SOLICITORS

MONRO PENNEFATHER & CO.

AUDITORS

EDMUND D. WHITE & SONS,

Chartered Accountants

REGISTERED OFFICE

21, MINCING LANE, LONDON, E.C.3.

MOLASSES . . .

On 30th March 1965 Tate & Lyle made an offer for all the Issued Shares of the United Molasses Company Limited. Acceptance of this offer was recommended by the Directors, and on the 26th April 1965 the United Molasses Company



TATE & LYLE FLEET



**SUGAR LINE
LIMITED**

Sugar Transporter	6,530
Sugar Refiner	6,511
Sugar Carrier	8,510
Crystal Cube	10,878
Crystal Bell	10,930
Crystal Gem	10,917
Crystal Jewel	10,917
Crystal Crown	10,917
Crystal Diamond	10,917
Crystal Sapphire	15,282

*Deadweight
Tonnage*

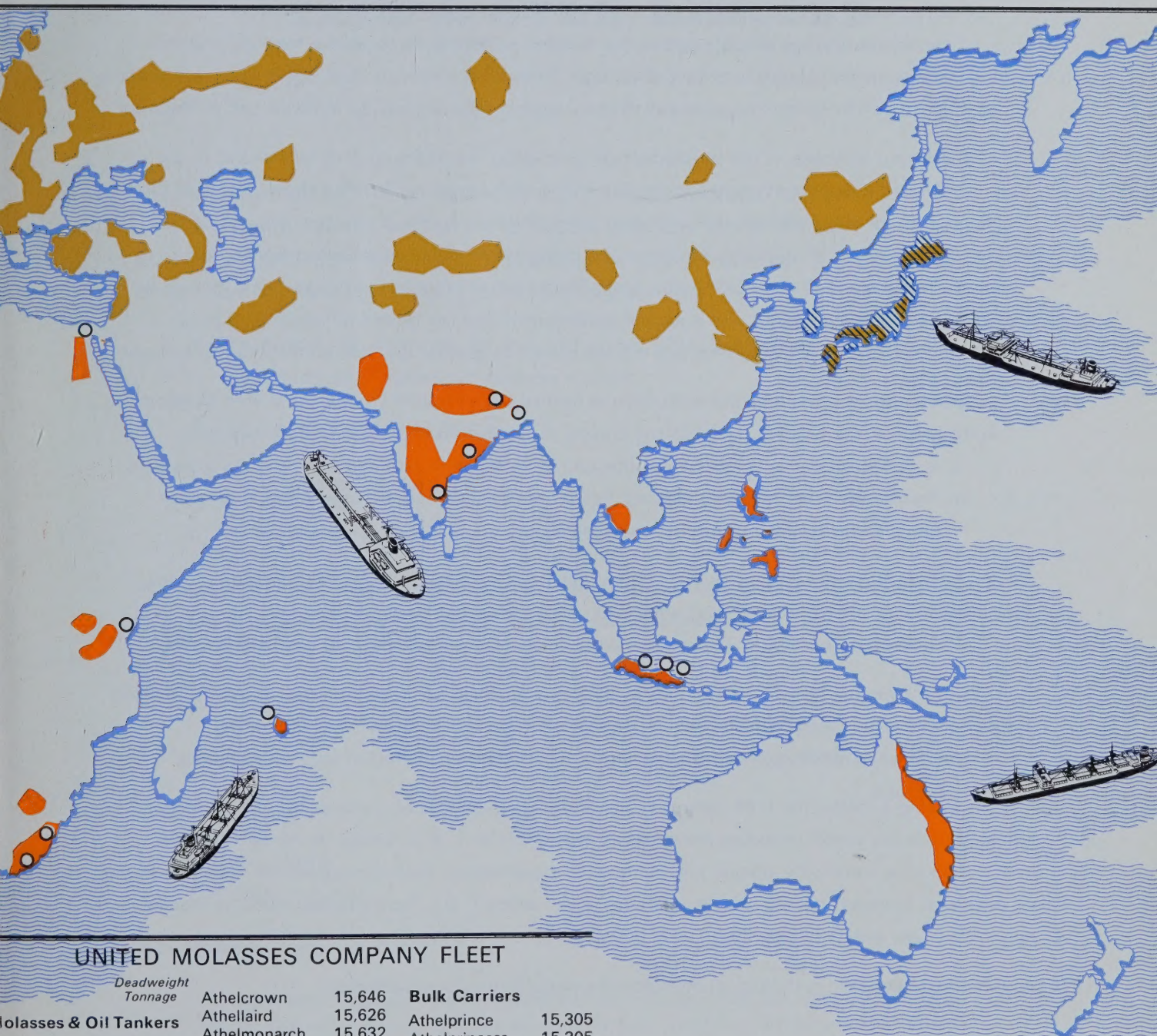
Sugar Producer 6,550



**ATHEL LINE
LIMITED**

became a subsidiary of T. & L. This thirty million pound offer is the largest financial transaction in the history of the Company and equal in importance to the 1921 amalgamation.

In this year's Report and Accounts is shown something of the story of molasses and some details of the U.M. Company. For former U.M. shareholders the information will be partly repetitive, for in the 1963 Report of the U.M. Company some of these facts were portrayed. However, the remaining 40,000 of our stockholders will wish to know more of the activities of this new member of the Group and something, too, of the product which is its concern.



UNITED MOLASSES COMPANY FLEET

	Deadweight Tonnage			
Molasses & Oil Tankers		Athelcrown	15,646	Bulk Carriers
		Athellaird	15,626	
		Athelmonarch	15,632	
		Athelchief	18,929	Athelprince 15,305
		Athelqueen	19,770	
		Athelviscount	19,326	Athelprincess 15,305
		Athelking	59,010	
		Athelregent	59,040	River Tanker
		Athelbrae	752	
		Athelbrook	743	Athelia 314
				Cargo Liner
				Elysia 9,680

THE NATURE OF MOLASSES

MOLASSES is the principal by-product of sugar manufacture.

In sugar factories and refineries many processes of extraction and purification are carried out. The result of these processes is that sugar crystals are yielded up from successive boilings of sugar syrups. But this can go only so far; a point is reached at which it is no longer economically possible to extract more sugar. There is left a viscous, black liquid which still contains approximately fifty per cent sugar and all the non-sugars of the original raw material. This is Molasses.

Blackstrap molasses is the by-product of cane sugar manufacture. It is in demand in the United Kingdom, Western Europe, the U.S.A. and Japan. As the map shows, some of these countries are far removed from the producing areas. The high points of seasonal demand do not coincide with the output of molasses. Moreover, the quantities of molasses produced rise and fall with the fluctuations of sugar production itself. There are two problems to be overcome, one of distance and one of uneven flow. It was a natural development that the United Molasses Company should require its own shipping fleet and storage system to provide the flow from source to final user.

Beet molasses arises from the production of beet sugar in Western Europe, the United Kingdom, North America, the U.S.S.R. and Eastern Europe. It is consumed mainly in these countries.

It is in special demand for the manufacture of yeast, citric acid and monosodium glutamate. T. & L. are themselves purchasers of moderate quantities of beet molasses, used for its distinctive properties in the manufacture of some specialities.

Technical development in many different fields has enormously enlarged the range of uses for molasses. The full list would today stretch to many pages, but livestock feeding, fermentation alcohol, bakers' yeasts, citric acid and rum would be at the head of a long list.

The T. & L. Group, comprising over forty subsidiary companies, has been the largest group in the world concerned with sugar production and refining, but nevertheless lacked its own facilities for the handling and distribution of molasses, the most important by-product of sugar manufacture.

In its trading activities the U.M. Company acquires large quantities of molasses from producers and refiners all over the world, including the molasses output of the T. & L. Group; at the same time it deploys a worldwide storage and distribution organisation. Both companies are operating in the same countries; molasses depots exist in cane sugar areas where T. & L. have interests; both companies are shipowners, with the Sugar Line fleet of bulk sugar carriers and the Athel Line fleet of tankers.

The acquisition may be seen as the logical extension of a worldwide sugar organisation.

TATE & LYLE, LIMITED

NOTICE IS HEREBY GIVEN that the SIXTY-THIRD ANNUAL GENERAL MEETING of the Company will be held at the **EUROPA HOTEL, DUKE STREET, GROSVENOR SQUARE, LONDON, W.1**, on Wednesday, the twenty-third day of March, 1966, at Eleven-thirty o'clock in the forenoon, for the following purposes:

1. To receive the Accounts for the year ended 30th September, 1965, and the Reports of the Directors and Auditors thereon.
2. To confirm and declare Dividends.
3. To re-appoint Directors.
4. To confirm the re-appointment of Auditors.

Any member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not also be a member.

By Order of the Board,

T. MARSHALL,

N. W. CULLEN,

Secretaries

21, MINCING LANE,
LONDON, E.C.3.

28th February, 1966.

We regret that circumstances have required us to change once again the venue of the Annual General Meeting. It is hoped to be able to hold the Meeting at the Europa Hotel for some years to come and thus save any inconvenience to Stockholders.

TATE & LYLE, LIMITED

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Annual Report and the Consolidated Profit and Loss Account for the year ended 30th September, 1965, together with the Company's Balance Sheet and the Consolidated Balance Sheet as at that date.

This Report deals only with the financial position as reflected in the Accounts now presented. The general affairs of the Group will be reviewed by the President in his Statement to be given at the Annual General Meeting, which is to be held on the 23rd March, 1966. Circumstances have compelled us once again to change the venue of the Meeting, which this year will be held at the Europa Hotel, Duke Street, Grosvenor Square, W.1.

GROUP STRUCTURE

In his Statement at the last Annual General Meeting, the President advised you that an offer had just been made to acquire the whole of the issued share capital of the United Molasses Company Limited. Following acceptances by over 90 per cent. of the stockholders, your Company ultimately acquired the whole of the Preference and Ordinary Share Capital of that Company and the accounts now presented incorporate the trading results and Balance Sheet of the United Molasses Group.

This acquisition also increased indirectly your Company's percentage holding in the four West Indies companies, Caroni Limited, The West Indies Sugar Company Limited, The Corozal Sugar Factory Limited and Storage Limited, by virtue of the shares held by United Molasses in these companies.

Also during the year the share capital of Galban Lobo (England) Limited, a company dealing mainly in the buying and selling of raw and refined sugar, was acquired.

BALANCE SHEETS

Capital

In April last the authorised share capital of the Company was increased to £46,000,000, following which there were issued 1,250,000 new 6½ per cent. Cumulative Preference Shares as consideration for the Preference Share capital, and 7,036,200 new Ordinary Shares as part consideration for the Ordinary Share capital of United Molasses. The issued share capital of Tate & Lyle, Limited now totals £39,075,200.

To implement the terms of its offer for the United Molasses share capital, your Company, in May, 1965, created £10,554,300 of 6¾ per cent. Convertible Unsecured Loan Stock. Under the terms of issue, holders of this stock

REPORT OF THE DIRECTORS—continued

have the right, exercisable in 1968 or 1969, to convert their holding into Ordinary Stock of the Company. Of the Ordinary Shares at present unissued, 6,121,494 will be reserved against conversion of this Loan Stock. The balance of the purchase price for United Molasses was paid in cash.

The total consideration for United Molasses was as follows:—

	£	£
£1,250,000 6½ per cent. Cumulative Preference Stock		1,250,000
£7,036,200 Ordinary Stock	7,036,200	
Share Premium	4,544,213	
£10,554,300 6¾ per cent. Convertible Unsecured Loan Stock	10,554,300	
Cash	8,135,606	
		<u>30,270,319</u>
		<u>£31,520,319</u>

Trade and General Investments

The increase in this total since September, 1964, is accounted for by the value of trade investments held by United Molasses.

Fixed Assets

Additions to fixed assets during the year totalled £28,590,309 and cumulative depreciation increased by £8,717,981, giving a net increase in fixed assets of £19,872,328. £13,838,056 of this net increase derives from United Molasses.

Current Assets, Liabilities and Provisions

The net current assets of the Group, i.e. current assets less current liabilities, decreased over the year by £227,506.

This is accounted for as follows:—

	£	£
Increase in Fixed Assets		19,872,328
Increase in Trade and General Investments		1,647,555
Debenture Stock bought back		560,910
Reduction in interest of Outside Shareholders		3,363,368
		<u>25,444,161</u>

Deduct:

Increase in Provisions	2,104,067	
Increase in Future Tax	350,217	
Corporation Tax	321,552	
		<u>2,775,836</u>
		<u>22,668,325</u>

Provided by:—

Increase in Preference capital	1,250,000	
Increase in Ordinary capital	7,036,200	
Issue of Unsecured Loan Stock	10,554,300	
Retained Profits	1,960,774	
Capital Grants and surplus on disposal of Fixed Assets and Investments	475,580	
Net addition to Reserves through changes in Subsidiary Companies	1,163,965	
		<u>22,440,819</u>
		<u>£227,506</u>

REPORT OF THE DIRECTORS—continued

GROUP PROFITS

Trading

The Group Profit for the year before taxation totalled £8,661,511, compared with £8,720,825 in 1964, and was contributed as follows:—

	1965 £	1964 £
Tate & Lyle Refineries Limited and refining subsidiaries	2,960,809	3,094,779
U.K. Service Companies: Transport and Stevedoring	576,753	483,855
Canada & Dominion Sugar Co. Ltd.	2,311,923	2,323,632
Total Refining and Services	5,849,485	5,902,266
United Molasses Group	1,757,433	
Less:		
Holding Company's Finance Charges arising from acquisition	586,926	
Shipping and Lighterage of Sugar	834,139	900,133
West Indies, Rhodesia and Zambia	555,826	2,398,552
Engineering and Miscellaneous	917,920	288,368
	9,327,877	9,489,319
Less:		
Balance of Holding Company's Finance and Administration Charges	666,366	768,494
	<u>£8,661,511</u>	<u>£8,720,825</u>

Total sales by U.K. Refining Subsidiaries, with comparable figures for 1964, were as follows:—

	1965		1964	
	%	Tons	%	Tons
Home Trade	83	1,535,789	78	1,468,388
Export	17	325,256	22	418,368
	<u>100</u>	<u>1,861,045</u>	<u>100</u>	<u>1,886,756</u>
Value of Home Trade Sales		£114,749,188		£113,377,190
Value of Export Sales including Surcharge repayment and Export rebate		£25,921,539		£30,937,924

Because of variations in the operation of pricing contracts with the Sugar Board and other trading considerations, the tonnage of booked freight at market risk has been reduced and this resulted in a profit of £269,295.

During the year Tate & Lyle Refineries' long interest in sugar was increased to 300,000 tons by the purchase of an additional 50,000 tons at £25 per ton.

Consistent with the Company's method of trading and their view that this long interest must be retained and is, therefore, more in the nature of a fixed asset, the existing base value of £24 per ton was maintained, although the market value at 30th September, 1965, was below that figure.

Taxation

The total charge for taxation in 1965 was £3,902,880, compared with £4,024,461 in 1964.

In both years a substantial amount was transferred from Taxation on Stocks; Adjustment Account. As was explained in the 1960 Report, this account provides a smoothing out procedure to avoid the tax charge being disproportionately high or low in relation to the profits of the period. In the last two years there has been a considerable drop in the raw sugar price and because for tax purposes stocks have to be valued at cost or market

REPORT OF THE DIRECTORS—continued

price, Tate & Lyle Refineries had a substantial tax loss in 1965. It has been possible to set off the profits of some of the U.K. subsidiary companies against this tax loss and consequently the total U.K. profits on which Corporation Tax has had to be provided is comparatively small. An estimated rate of Corporation Tax of 35 per cent. has been used. The credit for Income Tax in 1965 represents the estimated tax recoverable by the parent company in respect of finance and administration charges.

Net Profits and Dividends

The net profit attributable to outside shareholders in subsidiary companies was £657,958, and after deducting this there was left a total of £4,100,673 available within the Group. Of this, £670,498 was retained in the accounts of subsidiary companies, leaving £3,430,175, which, together with the balance of £54,158 brought forward from the previous account, gives a total of £3,484,333, dealt with by the parent company as follows:—

	£	£	
Allocated to General Reserve.....		1,300,000	
Dividends Paid and Proposed, less Income Tax:			
<i>On the 6½ per cent. Cumulative Preference Stock:</i>			
Half-year to 31st March, 1965, on £1,144,000 Stock.....	21,844		
Half-year to 30th September, 1965, on £2,394,000 Stock.....	45,710		
<i>On the Ordinary Stock:</i>			
First Interim dividend of 2 per cent. on £29,645,000 Stock.....	348,329		
Second Interim dividend of 6 per cent. on £36,681,200 Stock.....	1,293,012		
Final dividend of 2 per cent. on £36,681,200 Stock now recommended by the Directors and payable on or about 1st April, 1966	431,004		
		2,139,899	
Balance to be carried to the next account.....		44,434	
		<u>£3,484,333</u>	

The amount of Net Profit distributed to members, compared with that retained in the Group, is:—

Dividends:	£	£	%
To Outside Shareholders of Subsidiary Companies.....	360,044		
To Stockholders of Tate & Lyle, Limited.....	2,139,899		
		2,499,943	53
Profit Retained:			
<i>In the accounts of Subsidiary Companies:</i>			
Share of Minority Interests.....	297,914		
Parent Company's Share	670,498		
<i>In the accounts of Tate & Lyle, Limited</i>	<u>1,290,276</u>		
	1,960,774		
		2,258,688	47
		<u>£4,758,631</u>	<u>100</u>
Group Profit after Taxation.....			

BOARD OF DIRECTORS

In May, 1965, Viscount Runciman of Doxford and the Earl of Perth, Chairman and Deputy Chairman respectively of United Molasses, accepted the invitation of the Directors to join the Board of your Company. They now retire under Article No. 109 and offer themselves for re-appointment. The Directors retiring under Article No. 103 are Sir Ian Lyle, Sir Peter Runge, Mr. M. D. Oliphant, Mr. A. S. Wingate-Saul and myself. Being eligible, we offer ourselves for re-appointment.

AUDITORS

The Auditors, Messrs. Edmund D. White & Sons, having expressed their willingness to continue to act, will be re-appointed under the provisions of Section 159 of the Companies Act, 1948.

JOHN O. LYLE,
Chairman

TATE & LYLE, LIMITED

AND SUBSIDIARY COMPANIES

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th SEPTEMBER, 1965

	1965		1964	
	£	£	£	£
Trading Profit		8,675,947		9,597,361
<i>Add:</i>				
Investment Revenue	408,714		10,205	
Profit on Redemption of Debentures	40,859		6,426	
Profit on Sale of Investments	2,939		(3,988)	
Exceptional Items	719,191		—	
		1,171,703		12,643
		9,847,650		9,610,004
<i>Deduct:</i>				
Debenture Interest	626,266		647,220	
Unsecured Loan Stock Interest	356,208		—	
Interest on Fixed Loans	75,041		86,178	
Capital Increase Expenses	3,311		74,492	
Loss on Disposal of Fixed Assets	125,313		81,289	
		1,186,139		889,179
Profit before providing for Taxation		8,661,511		8,720,825
<i>Deduct:</i>				
Charge for Taxation		3,902,880		4,024,461
Net profit after providing for Taxation		4,758,631		4,696,364
<i>Deduct:</i>				
Share of Minority Interests:				
Dividends Paid or Payable	360,044		549,508	
Retained in the Accounts of Subsidiaries	297,914		502,466	
		657,958		1,051,974
Profit of the year attributable to Tate & Lyle, Limited		4,100,673		3,644,390
<i>Deduct:</i>				
Amount retained by Subsidiaries in:				
Debenture Stock Sinking Fund	33,707		22,870	
General Reserve	150,134		213,228	
Future Crops Expenditure Reserve	—		80,280	
Unappropriated Profit	486,657		638,676	
		670,498		955,054
Net amount dealt with in the Accounts of Tate & Lyle, Limited		3,430,175		2,689,336
<i>Add:</i>				
Balance brought forward from previous Account		54,158		76,124
		3,484,333		2,765,460
Allocated to General Reserve	1,300,000		850,000	
Dividends to Members Paid and Proposed—Net:				
Preference	67,554		45,546	
Ordinary	2,072,345		1,815,756	
		3,439,899		2,711,302
Balance carried forward to next Account		£44,434		£54,158

NOTES ON THE GROUP PROFIT AND LOSS ACCOUNT

1. TRADING PROFIT:

Included in the figure of £8,675,947 is £1,508,287, being the trading profit of the United Molasses Group for the period of nine months ended 30th September, 1965.

The base tonnage of sugar stocks in the United Kingdom was increased to 300,000 tons by the purchase in December, 1964, of 50,000 tons of raw sugar at £25 per ton. The base value of £24 per ton adopted in 1961 has been applied to the full 300,000 tons. The market price at 30th September, 1965, was £21 per ton.

The trading profit of £8,675,947 is after charging:

	1965	1964
Audit Fee and Expenses.....	£50,335	£39,028
Depreciation of Buildings.....	697,190	679,988
Depreciation of Plant and Machinery.....	2,213,938	1,685,643
Depreciation of Ships, Tugs, Barges and Small Craft.....	1,249,597	689,348
Renewal of Plant and Machinery.....	1,635,321	1,536,640
	<u>£5,796,046</u>	<u>£4,591,619</u>
Remuneration of Directors of Tate & Lyle, Limited		
Fees.....	8,385	8,000
Other Emoluments.....	219,183	238,448
	<u>£227,568</u>	<u>£246,448</u>
Pensions in respect of past Directors of Tate & Lyle, Limited.....	<u>£14,191</u>	<u>£14,212</u>

2. EXCEPTIONAL ITEMS:

Profit arising from reduction of tonnage of Freight at market risk.....	269,295	—
Recoveries by Caroni Limited from Price Stabilisation Fund.....	483,060	—
	<u>752,355</u>	<u>—</u>
<i>Less:</i>		
Expenditure carried forward by The Corozal Sugar Factory Limited at 30th September, 1964 and now written off.....	33,164	—
	<u>£719,191</u>	<u>—</u>

3. CHARGE FOR TAXATION:

Applicable to the profits of this period:

Income Tax.....	(520,366)	98,441
Profits Tax.....	—	181,740
Corporation Tax.....	310,731	—
Overseas Tax.....	1,236,470	918,836
	<u>1,026,835</u>	<u>1,199,017</u>
Amount transferred from Taxation on Stocks; Adjustment Account.....	2,291,553	2,599,750
Taxation Equalisation Account including tax deferred by accelerated capital allowances.....	601,369	401,877
Adjustment for change in the rate of tax on the amount provided for Renewals in previous periods.....	379,771	—
	<u>£4,299,528</u>	<u>£4,200,644</u>
Deductions:		
Tax at current rates on the increase in the provision for Renewals during the year.....	225,724	86,590
Adjustments of taxation in respect of previous periods.....	170,924	89,593
	<u>£396,648</u>	<u>£176,183</u>
Net amount charged in Profit and Loss Account.....	<u>£3,902,880</u>	<u>£4,024,461</u>

The charge for Corporation Tax is based on an estimated rate of 35 per cent.

4. FOREIGN CURRENCIES:

These have been converted at the rates ruling at 30th September, 1965.

TATE & LYLE, LIMITED

AND SUBSIDIARY COMPANIES

BALANCE SHEETS AT 30th SEPTEMBER, 1965

	1965		1964	
	Tate & Lyle, Limited	Group	Tate & Lyle, Limited	Group
	£	£	£	£
Capital Employed:				
I. ISSUED SHARE CAPITAL OF TATE & LYLE, LIMITED	39,075,200	39,075,200	30,789,000	30,789,000
II. CAPITAL RESERVES	4,576,057	12,205,657	31,844	10,660,391
III. REVENUE RESERVES	4,244,434	10,926,591	2,954,158	8,871,538
IV. INTEREST OF OUTSIDE SHAREHOLDERS OF SUBSIDIARY COMPANIES	—	10,023,228	—	13,386,596
V. DEBENTURE STOCKS AND FIXED LOANS	18,463,856	23,980,958	8,231,798	13,987,568
VI. FUTURE TAXATION	—	3,701,171	—	3,350,954
	<u>£66,359,547</u>	<u>£99,912,805</u>	<u>£42,006,800</u>	<u>£81,046,047</u>
Represented by:				
VII. FIXED ASSETS	—	88,673,761	—	68,801,433
VIII. INTEREST IN SUBSIDIARY COMPANIES	76,491,918	—	51,977,777	—
IX. TRADE AND GENERAL INVESTMENTS	854,483	2,567,239	854,500	919,684
X. CURRENT ASSETS LESS LIABILITIES AND PROVISIONS	(10,986,854)	8,671,805	(10,825,477)	11,324,930
	<u>£66,359,547</u>	<u>£99,912,805</u>	<u>£42,006,800</u>	<u>£81,046,047</u>

JOHN O. LYLE *Chairman*

F. H. TATE *Vice-Chairman*

For amplification of these figures see the following Schedules and Notes

SCHEDULES AND NOTES TO THE BALANCE SHEETS

	Tate & Lyle, Limited £	Group £
I. SHARE CAPITAL:		
Authorised in Shares of £1 each:		
6½ per cent Cumulative Preference	2,394,000	
Ordinary	43,606,000	
	<u>£46,000,000</u>	
Issued and converted into Stock:		
6½ per cent Cumulative Preference:		
as at 30th September, 1964.....	1,144,000	
Issued as consideration for the Preference Share Capital of The United Molasses Company Limited.....	<u>1,250,000</u>	2,394,000
Ordinary:		
as at 30th September, 1964.....	29,645,000	
Issued as part consideration for the Ordinary Share Capital of The United Molasses Company Limited.....	<u>7,036,200</u>	36,681,200
	<u>£39,075,200</u>	
II. CAPITAL RESERVES:		
Share Premium Account.....	4,544,213	4,544,213
Debenture Stock Sinking Fund:		
Balance at 30th September, 1964.....	—	257,787
Transferred from Profit and Loss account	—	33,707
Adjustment due to changes in the Group.....	—	105,983
		<u>397,477</u>
General:		
Balances at 30th September, 1964.....	31,844	10,402,604
<i>Add:</i>		
Net adjustment for capital reserves of Subsidiary Companies acquired or disposed of during the year	—	(6,157,752)
Other adjustments due to changes in the Group.....	—	2,525,728
Capital expenditure grants and surpluses on disposal of Fixed Assets and Investments.....	—	475,580
Differences on Exchange.....	—	17,807
	<u>31,844</u>	<u>7,263,967</u>
Totals per Balance Sheets.....	<u>£4,576,057</u>	<u>£12,205,657</u>

SCHEDULES AND NOTES—continued

	Tate & Lyle, Limited £	Group £
III. REVENUE RESERVES:		
General:		
Balance at 30th September, 1964.....	2,900,000	7,790,603
Add:		
Net adjustment for Reserves of Subsidiary Companies acquired or disposed of during the year.....	—	8,157,500
Other adjustments due to changes in the Group.....	—	410,712
Transferred from Profit and Loss account.....	1,300,000	1,450,134
	<u>4,200,000</u>	<u>17,808,949</u>
Replacement of Fixed Assets	—	<u>38,000</u>
Future Crops Expenditure:		
Balance at 30th September, 1964.....	—	727,598
Add:		
Adjustments due to changes in the Group.....	—	290,298
		<u>1,017,896</u>
Debenture Stock Redemption:		
Balance at 30th September, 1964.....	—	160,561
Add:		
Adjustments due to changes in the Group.....	—	66,011
		<u>226,572</u>
Profit and Loss Account Balances	<u>44,434</u>	<u>7,064,051</u>
Totals	4,244,434	26,155,468
Deduct:		
Proportion included in Capital Reserves on Consolidation.....	—	15,228,877
Totals per Balance Sheets.....	<u>£4,244,434</u>	<u>£10,926,591</u>

	1965		1964	
	Tate & Lyle, Limited £	Group £	Tate & Lyle, Limited £	Group £
V. DEBENTURE STOCKS AND FIXED LOANS:				
Debentures:				
Secured:				
4½ per cent. First Mortgage Irredeemable Stock.....	500,000	500,000	500,000	500,000
4¾ per cent. Stock 1968/78.....	2,655,056	2,655,056	2,731,798	2,731,798
5½ per cent. Stock 1980/85.....	4,754,500	4,754,500	5,000,000	5,000,000
3¾ per cent. Stock	—	536,588	—	560,709
5¼ per cent. Stock	—	2,000,000	—	2,000,000
Unsecured:				
5 per cent. Sinking Fund Debentures 1978.....	—	1,630,514	—	1,845,061
6¾ per cent. Convertible Loan Stock 1985/90 (see Note XI).....	10,554,300	10,554,300	—	—
Other Fixed Loans	—	1,350,000	—	1,350,000
	<u>£18,463,856</u>	<u>£23,980,958</u>	<u>£8,231,798</u>	<u>£13,987,568</u>

VI. FUTURE TAXATION:

U.K. Income Tax.....	—	512,891
Overseas Tax	64,384	505,212
Taxation Equalisation Account, including tax deferred by accelerated capital allowances	3,636,787	2,332,851
	<u>£3,701,171</u>	<u>£3,350,954</u>

SCHEDULES AND NOTES—continued

	1965	1964
	Tate & Lyle, Limited £	Tate & Lyle, Limited £
	Group £	Group £
VII. FIXED ASSETS:		
Freehold and Leasehold Land and Buildings:		
At Cost	10,974,287	8,861,764
At 1948 Book Value	78,191	79,711
1956 Valuation with subsequent additions at cost.	1,189,136	1,250,113
1962 Valuation with subsequent additions at cost.	21,314,476	20,789,285
	33,556,090	30,980,873
Less:		
Depreciation to date	3,059,393	2,392,528
	30,496,697	28,588,345
Plant and Machinery:		
Depreciation Basis:		
At Cost	24,405,699	13,554,424
At 1948 Book Value	229,214	237,329
1956 Valuation with subsequent additions at cost.	1,423,462	1,419,806
1962 Valuation with subsequent additions at cost.	8,886,720	8,499,852
	34,945,095	23,711,411
Less:		
Depreciation to date	14,373,071	8,849,511
	20,572,024	14,861,900
Renewals Basis:		
Book Value	231,918	234,744
1962 Valuation with subsequent additions at cost.	15,765,864	15,369,247
	15,997,782	15,603,991
Ships, Tugs, Barges and Small Craft:		
At Cost	9,869,758	432,023
1962 Valuation with subsequent additions at cost.	8,390,436	8,596,606
1963 Valuation with subsequent additions at cost.	2,991,146	—
	21,251,340	9,028,629
Less:		
Depreciation to date	4,061,271	1,533,715
	17,190,069	7,494,914
Assets under construction	4,083,094	1,956,684
Other Assets at Valuation	334,095	295,599
TOTAL FIXED ASSETS	£88,673,761	£68,801,433
VIII. INTEREST IN SUBSIDIARY COMPANIES:		
Investments	83,304,270	51,158,456
Amount owing by Subsidiary Companies	4,214,608	3,070,041
	87,518,878	54,228,497
Amount owing to Subsidiary Companies	11,026,960	2,250,720
	£76,491,918	£51,977,777

SCHEDULES AND NOTES—continued

	1965		1964	
	Tate & Lyle, Limited	Group	Tate & Lyle, Limited	Group
	£	£	£	£
IX. TRADE AND GENERAL INVESTMENTS:				
Trade Investments	641,150	2,353,906	641,150	706,334
General Investments—Unquoted	213,333	213,333	213,350	213,350
	<u>£854,483</u>	<u>£2,567,239</u>	<u>£854,500</u>	<u>£919,684</u>
X. CURRENT ASSETS, less Liabilities and Provisions:				
Current Assets:				
Stocks, including Net Forward Commitments (see Note XII)	—	25,454,829	—	28,157,784
Taxation on Stocks; Adjustment Account	—	28,093	—	2,403,857
Forward Freight Contracts	—	391,079	—	406,140
Debtors and Prepayments	97,526	15,760,617	14,576	13,601,977
Differences on inter-Company balances due to varying accounting dates	—	505,269	—	36,032
Future Crops Expenditure	—	1,960,028	—	1,708,609
Investments and Short-term Deposits (see Note XIII)	7,150,000	11,757,280	—	4,545,336
Notes and Bills Receivable	—	2,960,915	—	1,554,824
Cash at Banks and in Hand	2,167	1,050,905	—	850,063
	<u>7,249,693</u>	<u>59,869,015</u>	<u>14,576</u>	<u>53,264,622</u>
Current Liabilities:				
Taxation	(519,337)	992,082	869,696	6,075,184
Bank Overdraft	7,166,261	13,820,792	7,672,001	9,407,273
Short-term Loans	9,025,000	9,106,000	500,000	581,000
Bills Payable	—	5,532,663	—	5,855,263
Drafts in Transit	—	61,000	—	104,000
Creditors and Accruals	840,607	16,264,860	322,978	16,971,696
Proposed Dividends, less Income Tax:				
Outside Shareholders of Subsidiary Companies	—	49,515	—	249,235
Stockholders of Tate & Lyle, Limited:				
Preference	—	—	22,773	22,773
Ordinary	1,724,016	1,724,016	1,452,605	1,452,605
	<u>18,236,547</u>	<u>47,550,928</u>	<u>10,840,053</u>	<u>40,719,029</u>
Net Current Assets	<u>(£10,986,854)</u>	<u>£12,318,087</u>	<u>(£10,825,477)</u>	<u>£12,545,593</u>
Deferred Liability:				
Corporation Tax	—	321,552	—	—
Provisions (see Note XIV)	—	3,324,730	—	1,220,663
Current Assets, less Liabilities and Provisions	<u>(£10,986,854)</u>	<u>£8,671,805</u>	<u>(£10,825,477)</u>	<u>£11,324,930</u>

SCHEDULES AND NOTES—continued

XI. CONVERTIBLE LOAN STOCK:

Holders of this stock have the right exercisable between 15th March and 30th April in either of the years 1968 or 1969 to convert their holding into Ordinary Shares of the Company as to 58 Ordinary Shares on conversion in 1968 or 55 Ordinary Shares on conversion in 1969 for every £100 of Loan Stock held.

XII. STOCKS:

Included in Stocks is a base tonnage of sugar of 300,000 tons valued at £24 per ton. The market price at 30th September, 1965, was £21 per ton.

XIII. INVESTMENTS AND SHORT-TERM DEPOSITS:

The Group total of £11,757,280 shown in Current Assets includes investments quoted on recognised Stock Exchanges with a book value of £606,914 and a market value at 30th September, 1965, of £620,242.

XIV. PROVISIONS:

Replacement of Plant and Machinery:	£
Tate & Lyle Refineries Limited—net of tax	1,735,742
John Walker & Company (Sugar Refiners) Limited	192,163
<i>These figures represent the excess at 30th September, 1965, of the amounts provided out of trading profits by the two Companies concerned for the replacement of Plant and Machinery over the actual expenditure on replacements.</i>	
Ships' Surveys and Repairs	1,190,901
Pension Schemes	205,924
	<hr/> £3,324,730

XV. ASSETS CHARGED BY WAY OF SECURITY FOR LOANS AND OVERDRAFTS:

A Bank Loan of £116,982 to Rhodesia Sugar Refineries Limited is secured by a First Mortgage over that Company's industrial land and buildings at Salisbury and a Collateral Bond over the plant and machinery there situated.

A Loan of £350,000 from Commonwealth Development Finance Company Limited to Chirundu Sugar Estates Limited is secured by a special Mortgage Bond over that Company's assets.

To provide overdraft facilities of £50,000, Chirundu Sugar Estates Limited have drawn a Notarial General Covering Bond over that Company's movable property.

XVI. CONTINGENT LIABILITIES:

There are Contingent Liabilities in respect of:

- Customs Bonds and Guarantees, Bills under Discount, and Guarantees under a scheme for purchase of houses by employees.
- The Guarantee of the principal plus a premium of 1 per cent. and interest on the £5,000,000 Debenture Stock of Sugar Line Limited, of which £2,000,000 is at present issued.
- The Guarantee of the Bank overdrafts of certain Subsidiary Companies up to a total of £5,860,000.
- The Guarantee of a Loan up to a maximum of £286,000, together with interest, to cover installation costs for the supply of electricity to Chirundu Sugar Estates Limited.
- The Guarantee by Chirundu Sugar Estates Limited, jointly and severally with Hippo Valley Estates Limited and Triangle Limited, for the sum of £400,000 advanced to the Rhodesia Sugar Association for the erection of a Bulk Terminal at Lourenco Marques.
- A Guarantee of £107,470 given to Barclays Bank D.C.O. by Tate & Lyle (Nigeria) Limited, in the ordinary course of business, on behalf of the Nigerian Sugar Company Limited.
- Trade Investments include partly-paid shares on which the uncalled liability totals £45,825. There are also commitments to subscribe for loans of approximately £485,000.

SCHEDULES AND NOTES—continued

XVII. CONTRACTS FOR CAPITAL EXPENDITURE:

Contracts for Capital Expenditure for which no provision is made in the Accounts are estimated at:

Tate & Lyle, Limited	Nil
Subsidiary Companies	£5,551,000

XVIII. SUBSIDIARY COMPANIES:

The reason for the accounting dates of Caroni Limited and Chirundu Sugar Estates Limited differing from that of the Parent Company is that their financial years are governed by their respective cane sugar harvest periods.

The Accounts of a Subsidiary Company, situated in Indonesia, have not been consolidated due to control having been assumed by the Indonesian Ministry of Trade. In the opinion of the Directors, any profits or losses omitted are negligible.

XIX. FOREIGN CURRENCIES:

These have been converted at the rates ruling at 30th September, 1965.

REPORT OF THE AUDITORS TO THE MEMBERS OF TATE & LYLE, LIMITED

We have obtained all the information and explanations which we considered necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company.

The annexed Balance Sheet is in agreement with the books of account. In our opinion it, together with the Schedules and Notes, complies with the Companies Act, 1948, and gives a true and fair view of the state of the Company's affairs at 30th September, 1965.

We have examined the Group Accounts of the Company and its subsidiaries. The accounts of some subsidiaries have been made up to dates other than 30th September, 1965, and certain accounts have been audited by other firms. Subject thereto, in our opinion the annexed Group Balance Sheet and Group Profit and Loss Account, together with the Schedules and Notes, comply with the Companies Act, 1948, and give respectively a true and fair view of the state of the Group's affairs at 30th September, 1965, and of the profit for the year ended on that date, so far as concerns members of the Company.

EDMUND D. WHITE & SONS,
Chartered Accountants

LONDON,

17th February, 1966.

TATE & LYLE, LIMITED

GROUP FINANCIAL STATISTICS

(£000's omitted)

	1961 £	1962 £	1963 £	1964 £	1965 £
Capital Employed:					
ORDINARY STOCKHOLDERS' FUNDS:					
Issued Capital	21,175	21,175	21,175	29,645	36,681
Capital Reserves	7,165	13,810	14,056	10,660	12,206
Revenue Reserves	9,663	10,501	12,439	8,872	10,927
Future Income Tax	2,954	3,190	7,166	3,351	3,701
Total Ordinary Stockholders' Funds	40,957	48,676	54,836	52,528	63,515
ISSUED PREFERENCE CAPITAL	1,144	1,144	1,144	1,144	2,394
INTEREST OF OUTSIDE SHAREHOLDERS OF SUBSIDIARY COMPANIES	9,954	11,709	12,515	13,387	10,023
LOAN CAPITAL	13,270	14,146	14,067	13,987	23,981
	£65,325	£75,675	£82,562	£81,046	£99,913
Represented by:					
FIXED ASSETS	54,534	65,960	65,738	68,801	88,674
TRADE INVESTMENTS	2,747	194	513	920	2,567
CURRENT ASSETS (less Liabilities and Provisions)	8,044	9,521	16,311	11,325	8,672
	£65,325	£75,675	£82,562	£81,046	£99,913
PROFIT ATTRIBUTABLE TO MINORITY INTERESTS:					
Retained	446	349	667	502	298
Distributed	311	391	591	550	360
	757	740	1,258	1,052	658
PROFIT ATTRIBUTABLE TO PARENT COMPANY:					
Retained	1,852	1,201	1,961	1,782	1,961
Net Dividends to Stockholders:					
Preference	46	46	46	46	68
Ordinary	1,530	1,556	1,790	1,816	2,072
Net Profit after providing for Taxation	£4,185	£3,543	£5,055	£4,696	£4,759
	%	%	%	%	%
GROSS ORDINARY DIVIDEND:					
Per cent. of Issued Ordinary Capital	11.8	12.0	13.8	10.0	9.6
Per cent. of Ordinary Stockholders' Funds	6.1	5.2	5.3	5.6	5.6

U. K. SUBSIDIARIES

REFINING

- a Tate & Lyle Refineries Limited
- a John Walker & Company (Sugar Refiners) Limited
- a Merton Grove Company Limited
- a Millwall Sugars Limited

TRANSPORT AND SERVICES

- a Greenock Bulk Handling Company Limited
- a Huskisson Transit Company Limited
- a Tate & Lyle (Ulster) Limited
- a Tate & Lyle Transport Limited
- a John Walker Sugar Transport Limited
- a Silver Roadways Limited
- b Tate & Lyle Technical Services Limited
- c Galban Lobo (England) Limited
- a Tate & Lyle Farms Limited

SHIPPING

- a Sugar Line Limited
- a Silvertown Services Lighterage Limited
- a Sugar Line Terminals Limited
- a Kentships Limited
- d Athel Line Limited
- d Athel Marine Insurance Company Limited
- d Richards (Shipbuilders) Limited
- d W. J. Yarwood & Sons Limited

MOLASSES TRADING

- d The United Molasses Company Limited

ENGINEERING

- a A. & W. Smith & Company Limited
- a Foundry Plant & Machinery Limited
- a R. G. Ross & Son Limited
- a The Tills Engineering Company Limited

ACCOUNTING PERIODS

- | | |
|--------|-------------------------------------|
| a..... | 52 weeks ended 25th September, 1965 |
| b..... | Year ended 30th September, 1965 |
| c..... | 8 months to 30th September, 1965 |
| d..... | 9 months to 30th September, 1965 |
| e..... | Year ended 30th June, 1965 |
| f..... | Year ended 31st December, 1964 |

All Companies are wholly owned Subsidiaries of Tate & Lyle, Limited except where indicated by a percentage holding

LYLE GROUP

TATE & LYLE, LIMITED

OVERSEAS SUBSIDIARIES

REFINING

			% Holding
b	Canada & Dominion Sugar Company Limited	Canada	56.42
b	Rhodesia Sugar Refineries Limited	Rhodesia	50.13
b	Ndola Sugar Company Limited	Zambia	50.21
b	Tate & Lyle (Nigeria) Limited	Nigeria	

RAW SUGAR PRODUCTION

b	The West Indies Sugar Company Limited	Jamaica	90.63
e	Caroni Limited	Trinidad	70.59
f	Chirundu Sugar Estates Limited	Rhodesia	90.03
b	The Corozal Sugar Factory Limited	British Honduras	99.99
b	Plantations Limited		99.99
b	The Colonial Agricultural Development Co. Limited		99.99

MOLASSES TRADING

d	Pacific Molasses Company	U.S.A.	
d	Canada West Indies Molasses Company Limited	Canada	
d	Caribbean Molasses Company Limited	British Guiana	
d	Caribbean Molasses Company (Jamaica) Limited	Jamaica	
d	Caribbean Molasses Company (Trinidad) Limited	Trinidad	
d	Companhia Exportadora de Melacos Limitada	Mozambique	
d	Pure Cane Molasses Company (Durban) (Pty.) Limited	South Africa	
d	Nederlandsche Mélasses Handel Maatschappij N.V.	Holland	
d	Mieles Del Pacifico S.A.	Mexico	
d	Pacific Molasses Transport Company	U.S.A.	
d	S. A. Tank Installation de Mélasses Continentale (Tameco)	Belgium	
d	The Indian Molasses Company Private Limited	India	
d	P. T. Java Transport & Trading Company	Indonesia	
d	Compagnie des Mélasses S.A. (Comessa)	Switzerland	51.00
d	The Mauritius Molasses Company Limited	Mauritius	66.67

SERVICE

b	Tate & Lyle (Norway) A/S	Norway	
a	Eastern Sugar Trading Corporation	U.S.A.	94.50
e	Unital (Trinidad) Limited	Trinidad	70.59
b	Wisco Wharves Limited	Jamaica	90.63
b	Sugar Marketing (Pvt.) Limited	Rhodesia	42.10
b	Storage Limited	British Honduras	

ASSOCIATED COMPANIES

The Bagasse Products Company Limited	United Kingdom	34.59
East African Storage Company Limited	Kenya	50.00
Panelboard Pty. Limited	Australia	50.00
Paktank Storage Company Limited	United Kingdom	50.00



This picture of a road tanker discharging shows very well the appearance and properties of molasses.



On arrival at Liverpool m. v. ATHELDUKE's cargo is discharged to U.M. Company's storage ashore.
Prior to arrival the molasses has been heated to assist pumping.



The storage installation at Birkenhead handles chemicals, fats, oils and edible products as well as molasses; it has a capacity of 105,000 tons.



From a chain of depots on the Eastern and Western seabords and in the South of the United States of America tankers of the Pacific Molasses Company can deliver nation-wide direct to customers.

THE USES OF MOLASSES

The pictures which follow show a few of the products for which molasses is bought.



Photo: British Extracting Company Limited, Bromborough

ANIMAL FEEDING STUFFS

Animal and poultry feeding stuffs in pellet form containing molasses are being filled into paper sacks. Livestock feed, both in manufactured form and as silage, is the largest outlet for molasses.



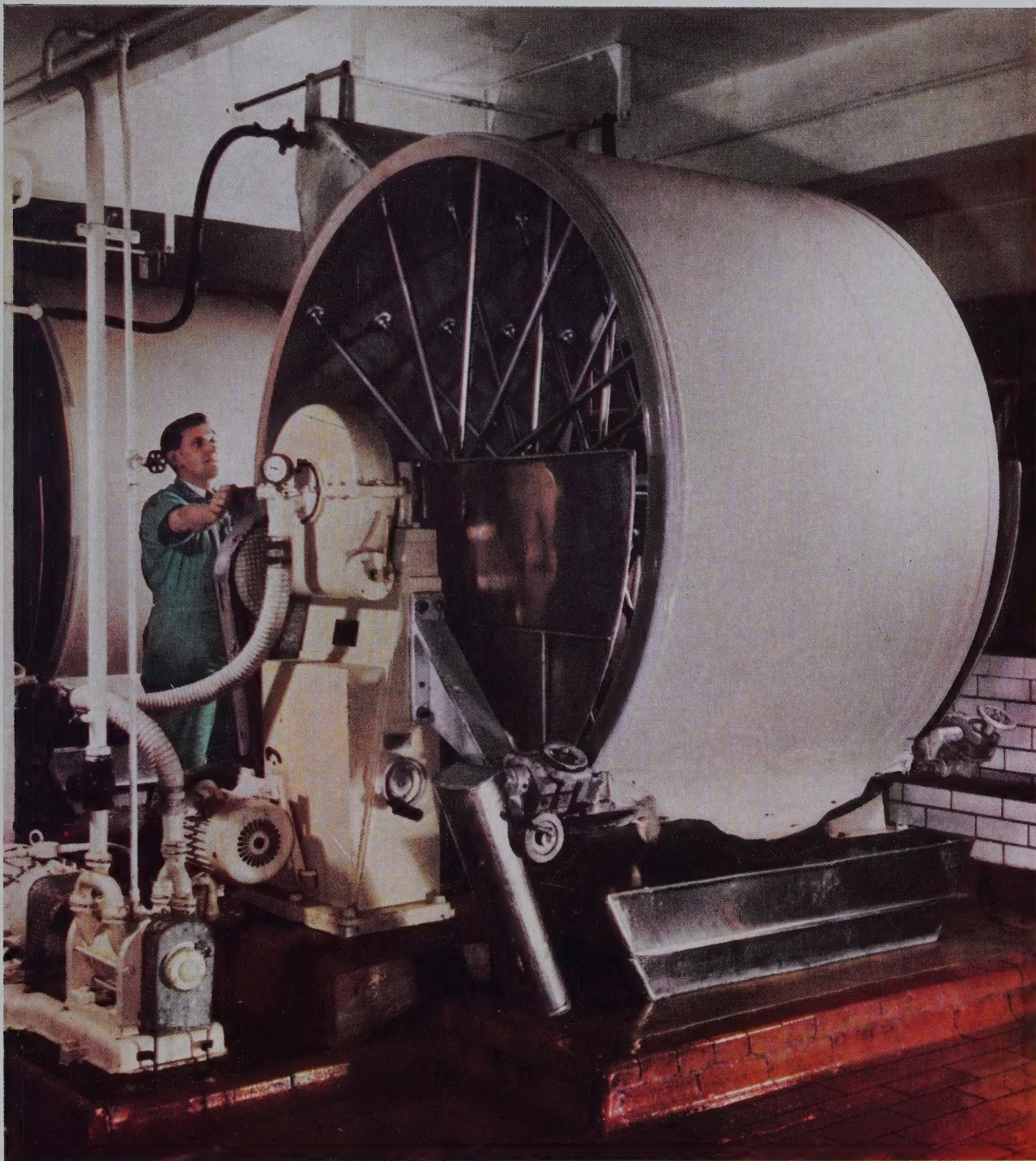


Photo: The Distillers Company Limited

BAKERS' YEAST

Molasses is the principal raw material in the production of yeast. Shown here is solid yeast cake as it is scraped from a rotary vacuum filter in a final stage of production. Subsequently it will be automatically formed, wrapped and check-weighed in 1 lb. blocks for despatch to the baking trade.





Photo: J. M. Mills Limited, Garston Distillery

SOLID CARBON DIOXIDE

The operator in the picture is cutting a block of "dry ice" to customers' required sizes.

During the fermentation of molasses, CO_2 gas is given off. Placed under pressure the gas liquefies and on subsequent decompression it assumes solid form. Solid carbon dioxide has a wide application in refrigeration and in soft drinks.

